

STATE PROPERTIES COMMITTEE MEETING

TUESDAY, NOVEMBER 25, 2008

The meeting of the State Properties Committee was called to order at 10:04 a.m. by Chairman Kevin M. Flynn. Other members present were Richard Woolley representing the Rhode Island Department of Attorney General; Robert Griffith representing the Rhode Island Department of Administration; John A. Pagliarini, Jr., Public Member. Others in attendance were Anthony Paolantonio from the Rhode Island House of Representatives; Robert C. Bromley from the Rhode Island Senate Fiscal Office; Director Michael Sullivan and Lisa Primiano from the Rhode Island Department of Environmental Management; Robert B. Jackson, Paul Carcieri, Daniel Clarke, Rick Kalunian and Colleen Kerr from the Rhode Island Department of Transportation; Michael D. Mitchell, Annette Jacques and John Ryan from the Rhode Island Department of Administration; Joseph Paolino, Jr., Joseph Shekarchi from Paolino Properties; Webster Collins from C.B. Richard Ellis Evaluations and Appraisals; and Gene Emery from the Providence Journal.

Chairman Flynn noted for the record that the State Properties Committee did have a quorum present.

Approval of the regular and Executive Session minutes of the State Properties

Committee meeting held on Tuesday, November 14, 2008, is deferred

to the meeting of

December 9, 2008.

Chairman Flynn noted that Items F, G and I are deferred to the next meeting of

the State Properties Committee to be held on December 9, 2008, at the request of the Department of Transportation.

Chairman Flynn asked that if there were no objections that the Committee move to hear Item B out of sequence as Director Sullivan, who will present the matter, must attend previously scheduled meeting at 10:30 a.m. A motion was made to hear Item B out of sequence as the first item on the agenda by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM B – Department of Environmental Management – A request was made for approval to advertise a Request for Information (“RFI”) for Public/Private Partnerships at various State-owned properties. Director Sullivan stated for the record that he has complete and total faith in Ms. Primiano’s ability to present the Department’s interest relative to this request accurately and effectively; however, as he is attending another meeting at the Department of Administration this morning, Director Sullivan decided to personally present this matter due to the uniqueness of the request. Director Sullivan explained that

the Department of Environmental Management is seeking authorization to add visibility and transparency to a process whereby the Department of Environmental Management will attempt to assess an array of real estate holdings that it manages on behalf of the public trust and examine potential partnerships to create greater opportunity for the public. Director Sullivan indicated that each of the real estate holdings, which appears on the list provided to the State Properties Committee, represents everything from the potential consideration of the private side partner to operate the golf course located at Goddard Park to the expansion of some commercial holding activities on Department of Environmental Management controlled property from abutting properties through which the public would enjoy certain benefits. Said benefits would include improved maintenance of boat ramps or improved litter control on the balance of properties. Director Sullivan explained that creating these partnerships with abutters or neighbors would not only allow the Department of Environmental Management to shed a portion of the costs, but would actually improve the day to day maintenance and/or day to day presence on the properties. Director Sullivan explained that he is before the Committee seeking the opportunity and authorization to begin to pursue discussions relative to these potential partnerships. Director Sullivan indicated that the Department as always would return to the Committee with any fruitful discussions concerning any potential changes in its day to day or year to year management of properties. Director Sullivan indicated that he will be happy to answer any questions the Committee may

have at this time. Chairman Flynn asked that assuming the Department's request was granted and it was allowed to move forward and test the waters to see what opportunities may be available, would these discussions be followed by a formal Request for Proposals or would the results of this exercise be the Department's method of determining the most advantageous potential partnerships to create greater opportunity for the public and then return to the Committee with its findings. Director Sullivan explained that the hope is to utilize this exercise to create a more formal conversation with potential participants in order to determine the most successful candidates. Director Sullivan explained that as each site requires such unique and diverse components that crafting a contractual relationship will require openness on the parts of both parties making it difficult to solicit bids via the conventional Request for Proposals process. Chairman Flynn noted the difference between this request and the request to solicit bids for vendor operations at the State-owned beaches, which recently came before the Committee.

Chairman Flynn indicated that relative to the State-beach concessions, the Department's criteria are far more specific. In this instance, the Department is seeking permission to examine and discuss potential benefits and/or services that may be available; the details of which the Department is not yet aware. Dr. Sullivan agreed and indicated that the most definitive and traditional potential operation is that of the Goddard Park Golf Course. The Department has had a vendor for a number of years that has operated the club house operation, who owns the golf carts and rents them to the

guests that choose to use them; said operation involves far less options. Director Sullivan indicated that Haines State Park has 350 feet of frontage, an extremely well engineered, designed and built boat dock and ramp with handicap accessibility, but the fact remains that complete and public access to those amenities is non-negotiable.

However, if the owner of the marina located to the south of Haines Park wishes to expand said marina by a pier or two and create additional revenue, the Department would be willing discuss what the owner would be willing to offer in terms of the public such as an additional pier to expand pier fishing to the public. Director Sullivan stated that these are the types of creative options the Department is looking for, hopes to find and is willing to discuss with potential private property owners in order create partnerships in an attempt to provide greater opportunities to the public. Mr. Woolley warned the Department to be mindful of the private verses governmental distinctions in terms of liability and financial issues. Director Sullivan indicated that he is not suggesting or advocating new rules, which could prove to be harmful to the State of Rhode Island. The Department of Environmental Management is respectfully requesting permission to explore an alternative and less restrictive process to obtain a more beneficial result than that which has been implemented in the past. Mr. Woolley asked that the Committee be kept apprised of the results of this process as it moves forward. Director Sullivan stated that the Department will absolutely return to the Committee with the results of this process prior to even considering moving the process along. Director Sullivan reiterated that the Department's

main goal is the visibility and transparency of process. Mr. Woolley commented that the Department of Environmental Management's past behavior in that regard is the best indicator of future behavior. A motion to approve was made by Mr. Griffith and seconded by Mr. Pagliarini.

Under discussion, Mr. Pagliarini asked if this process can in any way fall under the privatization statute. Director Sullivan stated that the Department's thinking at this time is that the process will not fall under the privatization statute. However, Director Sullivan did indicate that the only exception that may come close to falling under the privatization statute is the Goddard Park Golf Course, because of retirements the Department has had bargaining unit employees there.

Director Sullivan stated that he will leave this meeting to plead for additional backfills. However, unfortunately for the Department and the citizens, the majority of the park positions are 100% State budget and with the current budget crisis backfilling park and/or golf course maintenance are certainly a challenge to the Department. The Department is faced with practical issues such as whether to provide lifeguards on the beach or mow a golf course. Director Sullivan stated that if he is forced to make a choice, there will be lifeguards on the beach first. Mr. Pagliarini indicated that he is not passing judgment as to whether this process should fall under the privatization statute; however, it is his understanding that the privatization legislation lays out a process and he wants to be sure that the Department intends to comply with said process. Director Sullivan stated that the Department's request will be consistent with

the privatization process.

Chairman Flynn noted that a motion has been made and seconded and asked if any further discussion was necessary. As the Committee indicated that no further discussion was necessary, Chairman Flynn asked that all those in favor of the motion approve signify by saying "Aye".

Passed Unanimously

ITEM A – Department of Environmental Management – A request was made for approval of and signatures on a Conservation Easement over 48 acres of land located on Chestnut Hill Road in the Town of Glocester. Ms. Primiano presented a site map and photographs illustrating the exact location of the subject property. Ms. Primiano indicated that this is a request for the Committee's approval for a local open space grant to the Glocester Land Trust, which was a successful application from the Department of Environmental Management's 2006 grant process. Ms. Primiano indicated that in accordance with said process the Glocester Land Trust is entitled to fifty (50%) percent of the approved appraised value of the land. Mr. Primiano explained that in exchange for the grant the Department of Environmental Management obtains an easement. The property will be managed for full public access and actually abuts another parcel of land that is owned by the Glocester Land Trust. Mr. Primiano noted that the subject property has quite a bit of public recreational opportunity such as fishing and water access together with a trail system that will connect this property with the abutting property owned by the Glocester Land Trust. Chairman Flynn asked

if there is a house on the subject property. Ms. Primiano indicated that there is not a house on the property; however, there are some small cabins, which will not be part of this transaction. A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM C – Department of Transportation – A request was made for approval of and signatures on a Grant of Easement by and between the Department of Transportation and the Narragansett Electric Company for the placement of a new electrical installation to serve the development of a new hanger facility at Quonset State Airport.

Mr. Clarke

explained that the Grant of Easement is a standard agreement utilized by the Department of Transportation on several occasions and has been reviewed and approved by the Department of Attorney General. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

ITEM D – Department of Transportation – A request was made for approval of and signatures on a License Agreement by and between the Department of Transportation and Bear Realty Inc. of use of 12,000 square feet of State-owned land located on Bay Spring Road in the Town of Barrington. Mr. Clarke indicated an internal appraisal valued the rental value of the subject property at \$240.00 per month. The License Agreement is for a term of three (3) years and contains a “revocable at will” clause. Mr. Clarke presented a site map illustrating the exact location of the subject property for the

Committee's review. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM E – Department of Transportation – A request was made for approval of

an signatures on Assignment of Easement documents by and between the Rhode Island Economic Development Corporation and New Boston Quonset, LLC. Mr. Clarke reminded the Committee that in June of 2008, the Department of Transportation transferred three (3) parcels of land to the Rhode Island Economic Development Corporation. One of the parcels of land reverted back to the Rhode Island Economic Development Corporation via a gratis transfer. Another of the parcels was conveyed at a purchase price of \$6.00 per square foot to the Rhode Island Economic Development Corporation. Mr. Clarke indicated that the Department of Transportation elected to retain ownership of the third parcel of land but granted an easement for beautification and landscaping purposes to allow New Boston Quonset, LLC to erect a sign, fencing and landscaping along entrance to Gate Road. Mr. Clarke explained that the Department of Transportation elected to retain the third parcel because it is located close to the bridge abutment for Route 403. Mr. Clarke indicated that in June of 2008, the Department of Transportation also asked that the Rhode Island Economic Development Corporation and New Boston Quonset, LLC submit a physical alteration permit for any type of signage to be approved by the Department of Transportation. Mr.

Clarke indicated that said physical alteration permit has been submitted and approved. Mr. Clarke indicated that both, New Boston Quonset, LLC and the Rhode Island Economic Development Corporation, have fully complied with all requests made by the Department of Transportation and are now asking that the Department transfer the subject easement rights to New Boston Quonset, LLC to allow it to maintain the property, signage and landscaping. Mr. Clarke stated that the Assignment of Easement documents have been reviewed by the Department of Transportation's legal counsel and the Department is now seeking the approval of and execution of the final documents by the State Properties Committee. Mr. Pagliarini asked what type of signage the Department of Transportation approved. Mr. Clarke indicated it is a monument sign, which wraps around the corner of the property with a sister sign on the north side of Gate Road as well. Mr. Pagliarini noted that the Department of Transportation controls a lot of land located at corners and/or intersections. Mr. Pagliarini stated that as corner property is very desirable to developers, he recommends that the Department reconsider their valuation of said properties as he believes they are being undervalued. Chairman Flynn asked if the Department of Transportations originally took the subject property from Quonset Development Corporation in order to improve Post Road. Mr. Clarke indicated that he was unable to recall the actual genesis of the subject property. A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM F – Department of Transportation – A request was made for approval of and signatures on a License Agreement by and between the Department of Transportation and E's Divine Pet Salon, Inc. for use of 1,065 square feet of State-owned land located on Park Avenue in the City of Cranston. This item is deferred to the December 9, 2008, meeting of the State Properties Committee at the request of the Department of Transportation.

ITEM G – Department of Transportation – A request was made for approval of and signatures on a Sign License Agreement by and between the Department of Transportation and the Smithfield Office Center, LLC for use of 200 square feet of State-owned land located on Douglas Pike in the Town of Smithfield. This item is deferred to the December 9, 2008, meeting of the State Properties Committee at the request of the Department of Transportation.

ITEM H - Department of Transportation – A request was made for approval of and signatures on a Certificate of Transfer of Land from the Department of Transportation to the Department of Environmental Management for the transfer of 14,000 square feet of land located adjacent to Dawley Memorial State Park along Route 3 in the Town of Exeter. Mr. Carcieri presented a site map and aerial photographs illustrating the exact location of the subject property. Mr. Carcieri explained that the Certificate of Transfer of Land before the Committee is for the transfer of custody and control of 14,000 square feet of land to the Department of Environmental Management. Mr. Carcieri explained that the Department of Environmental Management has represented to the Department of Transportation that use of the

subject property is critical to the development of an on site water treatment facility serving Dawley Memorial State Park. The Department of Transportation's Land Sales Committee has reviewed and approved the transfer of the subject property. The Land Sales Committee believes that it is very unlikely that the Department of Transportation will ever need the property for a highway related purpose. Mr. Carcieri stated that a copy of the joint memorandum requesting that the Honorable Governor Carcieri execute the Certificate of Transfer of Land has been provided to the State Properties Committee. Chairman Flynn indicated that he is not at all familiar with Dawley Memorial State Park. Ms. Primiano stated that that Dawley Memorial State Park is located in the Arcadia Management Area. Ms. Primiano explained that it appears that the Route 3 right-of-way located in Hopkinton was one hundred (100') feet wide; however, as it crosses the boundary into Exeter it narrows to sixty (60') feet. Ms. Primiano explained that Department of Environmental Management's property includes a structure, which is currently utilized for storage; however, the Department intends to utilize the property for an emergency command post. Ms. Primiano stated that the Department does not intend to have a permanent office at this location but rather a temporary presence for emergency response. Therefore, the Department of Environmental Management will be adding a building onto the existing facility. Ms. Primiano indicated that there is an existing ISDS system; however, it will not be able to handle the new building so an expansion is required. Mr. Primiano stated that the facility is presently within the Department of

Transportation's right-of-way and the Department of Environmental Management wishes to remedy this encroachment via the Certificate of Transfer of Land. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM I – Department of Transportation – A request was made for approval of and signatures on an Agreement to Purchase and Quit Claim Deed by and between the Department of Transportation and Warwick Hotel Associates, IV, LLC (Carpionato Corporation) for the conveyance of 5.58 acres of land, which abuts Routes 5 and 113 in the City of Warwick. This item is deferred to the December 9, 2008, meeting of the State Properties Committee at the request of the Department of Attorney General and the Department of Transportation.

ITEM J – Department of Transportation – A request was made for approval of and signatures on a Certificate of Land Transfer by and between the Department of Administration and the Department of Transportation for the transfer of approximately 14,850, square feet of land for future improvements to (Route 44) Putnam Pike in the Town of Glocester. By way of background, Mr. Ryan explained that the Rhode Island State Police Chepachet Barracks property has gone through the surplus property process and will be offered at a public sale. Mr. Ryan indicated that the during the surplus process, the Department of Transportation alerted the Department of Administration that it needed an area of said property for drainage improvements, which are planned for Route 44 in the Town of

Glocester. Mr. Ryan said that there are major drainage issues in the area which need to be addressed. Mr. Ryan stated that the plans for said improvement project have been completed by the Department of Transportation's engineers and both the Departments of Administration and Transportation are ready to move forward with the transfer of the subject property to allow the Department of Administration to offer the Rhode Island State Police Chepachet Barracks property for sale as previously indicated. Mr. Ryan explained that the Department of Administration believes it is prudent to carve out this portion of land and transfer it to the Department of Transportation prior to the transfer of title. Mr. Pagliarini recommended the appraiser conducting the appraisal of the Rhode Island State Police Chepachet Barracks property be informed of the disposition

of this portion of the property as it is a significant percent of the total frontage of the property. Chairman Flynn clarified that the Department of Administration complete an administrative subdivision with the Town of Chepachet. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

ITEM K – Department of Transportation – A request was made for approval of and signatures on a License Agreement by and between the Department of Transportation and Fashion Accents Corporation for use of approximately 1,790 square feet of State-owned land located adjacent to the exit ramp from Smithfield Avenue and Nashua Street in the City of Providence. Mr. Jackson presented a site map

and photographs illustrating the exact location of the subject property for the Committee's review. Mr. Jackson explained that this is a renewal of the subject License Agreement to allow Fashion Accents Corporation to utilize the subject property for parking. Mr. Jackson indicated the license fee is \$160.00 per month for a total of \$1,920.00 per year. A motion was made to approve by Mr. Pagliarini subject to two (2) stipulations; that there shall be no curb cut access and that no signage shall be erected on the property. Said motion was seconded by Mr. Woolley.

Passed Unanimously

ITEM L – Department of Transportation – A request was made to revisit the request for conceptual approval to sell 5,571 square feet of State-owned property located on Service Road No. 7 @ Broad Street in the City of Providence as a sole source sale. Chairman Flynn explained that this request was presented to the State Properties Committee at the meeting held on November 14, 2008. The decision of the Committee was to offer the subject property for sale via a Request for Proposals. The Department of Transportation is requesting the State Properties Committee to reconsider said decision. Mr. Carcieri presented three site maps of the subject property and the abutting property, which illustrate the how the properties look at the present time. Mr. Carcieri also provided the Committee with the proposal from Paolino Properties for the erection of a new building and reconfiguration of parking. Lastly, Mr. Carcieri presented an aerial photograph that again shows the property that the Department of Transportation is seeking conceptual approval to

sell via a sole source sale. Mr. Carcieri indicated that he wished to bring some additional information to the State Properties Committee's attention, which was not provided during the previous presentation. Mr. Carcieri explained that the subject property has not yet been appraised. The Department of Transportation is sensitive to the possibility that what appears to be an insignificant parcel of land that does not meet local zoning may in fact be worth much more when incorporated in with the abutting property. Mr. Carcieri indicated that the Department of Transportation is prepared to commission an appraisal of the subject property in two ways in order to establish its highest and best use. Mr. Carcieri explained that one of the approaches to value will be the assemblage of the subject property into the privately owned abutting property. Mr. Carcieri noted that the assumption can be made that an active retail operation could be constructed on the property under local zoning. Mr. Carcieri indicated that in regard to previous requests for sole source sales of property the State Properties Committee has always directed and the Department of Transportation has always held that the higher value be taken in assemblage or as a stand alone. Mr. Carcieri stated that in this particular case, he believes the higher value will be assemblage. Mr. Carcieri explained that based upon a request from Paolino Properties the Department of Transportation is also contemplating a creation of an access from Service Road No. 7 directly into the proposed so called new parcel. Mr. Carcieri indicated that any access to the State-owned land is over the Paolino property; therefore the access being contemplated will only benefit Paolino

Properties. Mr. Carcieri indicated that he brings this possibility to the Committee's attention to make the Committee aware that there will be an enhancement value if that access is granted above and beyond the highest and best use of the property. Mr. Carcieri stated that said access is obviously an enhancement to the property as a whole, because it is a key to getting traffic in (via a one way entrance; there would be no exit) from Service Road No. 7 serving Route 95. Mr. Carcieri stated that he brings these facts to light in order to assure the Committee that the Department of Transportation will do everything it can to obtain the highest and best use appraisal of the State-owned land. Mr. Carcieri indicated that he is aware that at the previous meeting the prospect was raised of a competitor bidding on the property in order to keep another out and agreed that such a scenario is certainly a possibility; although, he does not honestly rate it a very high possibility given the fact that the State-owned parcel would be land locked with no access save for the parcel owned by Paolino Properties. Mr. Carcieri indicated that the property could be sold, but of no utility. Chairman Flynn clarified that the Committee discussed that if a competitor was to bid on the property, the rationale would be to prevent something from happening as opposed to enabling something to happen. Chairman Flynn indicated that the Committee questioned whether that would be in the best financial interest of the State of Rhode Island; if the State is looking to receive the highest and best value for the property. Chairman Flynn noted that perhaps from a narrow perspective it might be, but from a broader perspective taking into consideration taxes, employment

opportunity and so forth is may not be in the State's best financial interest. Mr. Carcieri stated that the scope of work for the appraisals will be such that the Department of Transportation will predicate the property sale in assemblage to a bona fide retail operation and as a stand alone and the higher value is the amount the Department will use to establish the purchase price for the subject property. In addition, Mr. Carcieri noted that the access from Service Road No. 7 is under the review of the Federal Highway Administration. If granted, there will be additional enhancement value which the Department will ask the applicant to pay. Mr. Carcieri stated that given those facts, if one looks at going out to a Request for Proposals and considers the price, the cost, the time expended by staff, he is not convinced that the State will realize more revenue than those two numbers. Therefore, Mr. Carcieri indicated that the Department of Transportation urges the Committee to grant conceptual approval to move forward to convey to appraise the property and of course return to the Committee with explanations prior to the execution of any final document. For the Committee's benefit, Chairman Flynn indicated that since the previous meeting, he has communicated with the Director of Planning for the City of Providence and learned that the City of Providence is certainly supportive of the development of the site although it is not committed to any specific development. Chairman Flynn indicated that it is his understanding that these conceptual plans have been forwarded to the City and there will obviously be discussion between the City as the permitting authority and the applicant regarding what ends up taking place at the site.

Chairman Flynn stated that the City's position is that the transfer of the property will clearly enhance the value parcel and the City is obviously interested in developing the parcel in the future. Mr. Carcieri indicated that since the construction of Route 95, the subject property has been a parcel of no interest to the Department of Transportation. The Design Section of the Department has represented that there is no plan to widen the service road and therefore the property is one of many remnant parcels of land left over from the highway project. In regard to the prospective curb cut from Service Road No. 7, Chairman Flynn asked if estimating the value of could be done at the same time as the appraisal is being conducted. Mr. Carcieri indicated it could absolutely be accomplished at the same time as the appraisal. Chairman Flynn asked if the appraisal will be an internal or a fee appraisal. Mr. Carcieri stated that the Department will leave that to the pleasure of the State Properties Committee. Mr. Woolley indicated that the issue that continues to arise is that as the State-owned property is located on the corner, it is the perfect place to erect a sign; Mr. Woolley asked if the Department will allow signage to be erected and, if so, what kind of signs because it is his understanding that sight impairment is an issue as it is a heavy traffic corner. Mr. Carcieri stated that signage will be allowed subject to the Department of Transportation's Outdoor Advertising Rules and Regulations and the Federal Highway Administration. Mr. Carcieri stated that if the property were to fall into private hands would be subject to said rules and regulations and any proposed signage would undergo a design review from the point

of view of safety and sight distance. Mr. Pagliarini asked whether the Department of Transportation will have the right to impose its rules and regulations if the fee is sold. Mr. Carcieri assured the Committee that the Department of Transportation will have the right to impose its outside advertising rules and regulations as they are within a certain number of feet off the State holding onto private property for off premise advertising and billboards. Mr. Carcieri indicated that said condition is one of the Department's five boiler plate deed covenants. Mr. Woolley indicated that a letter from Mayor Paolino in support of this request was submitted to the State Properties Committee; however, it was not well emphasized as part of the previous presentation; therefore, he asked that someone expound on it during this presentation for the benefit and consideration of the Committee today. Chairman Flynn asked if anyone on the presenting panel wished to address the Committee regarding said correspondence. Mr. Shekarchi, legal counsel for Paolino Properties thanked the Committee for the opportunity to be heard today. Mr. Shekarchi indicated that Mr. Paolino and Mr. Collins were with him today to address any questions or concerns the State Properties Committee may have. Mr. Shekarchi stated that although he was not present at the previous meeting it is his understanding that there were some representations made that a certain company was interested in developing the site. Mr. Shekarchi assured the Committee that based upon information received from his client, there is no purchase and sale agreement, lease agreement or letter of intent; however, there is hope and there have been some discussions with potential tenants,

but there is absolutely nothing on the table at this time. Mr. Shekarchi stated that if Paolino Properties is ultimately successful in acquiring the subject property, the next step in the process will be to go to the Department of Transportation to request a curb cut. In addition to the curb cut, there has to be some consideration given to the Federal Highway Administration. Therefore, not only will the State and the City of Providence benefit from the purchase of the subject property, but the Federal Highway Administration will receive some benefit. Mr. Shekarchi stated that his client is cognizant of the fact that the subject property is a sensitive parcel of land in terms of traffic safety. Paolino Properties would certainly work with the Department of Transportation relative to erecting any signage and ensure sight distances. Mr. Shekarchi indicated that his client will also work with the Federal Highway Administration as well as the City of Providence Planning Department. Both Mr. Shekarchi and Paolino Properties believe that if Paolino Properties acquires the subject property in conjunction with its abutting property it will prove to be the highest and best use and will certainly benefit the State of Rhode Island. Mayor Paolino presented additional photographs of the subject property and explained that the parcel is essentially the front lawn of the former Boy Scouts of America building. Mr. Paolino indicated that he purchased the abutting property four (4) years ago on June 14, 2004. Mayor Paolino indicated that over the past four (4) years, he has had only one tenant, for a period of approximately ninety (90) days. Mayor Paolino explained that one of the largest draw backs to that location is that Crossroads Rhode Island is

located directly across the street. Mayor Paolino indicated that Crossroads Rhode Island is a shelter for homeless individuals and unfortunately its clientele often drifts onto his property for one purpose or another. This unfortunate circumstance makes it extremely difficult to find potential tenants to lease the building. Mayor Paolino explained that on three separate occasions, during discussion with a major retailer, the proposal has been rejected and one of the major reasons for these rejections is that the operations people indicate that it will take away business from one of their other store locations. However, Mayor Paolino indicated that he has been asked recently if it would be possible to obtain a curb cut along the Service Road. If so, the retailer indicated it would once again enter into discussions regarding the property, but not until that time. Mayor Paolino indicated that whether the retailer develops the site or not, Paolino Properties will still wish to purchase the State-owned parcel as it makes sense in terms of enhancing his abutting property. Mayor Paolino stated that the Department of Transportation is putting a deed restriction on the property, which prohibits anyone from building on portions of the property as the Department wants it to remain in its current state. Mayor Paolino stated that he understands the Department's rationale for said restriction. Mayor Paolino believes that Paolino Properties is the only entity interested in purchasing the property and stated that acquiring the property will hopefully provide him with a better opportunity to market his property to an interested party. However, he reiterated that he has no proposal in writing; he is simply trying to entice someone to lease the property.

Chairman Flynn stated that there is no doubt that the subject property is surplus to the State's needs. The only issue is whether the State's best interest is offering the subject property for sale via a Request for Proposals or by an appraisal process, which not only looks at the value of the property not independently but as part of an assemblage of a whole. Mr. Shekarchi noted that because of the deed restrictions on the property, he believes it is highly unlikely that anyone else will want to purchase the property except for Paolino Properties because the parcel is land locked. After a very detailed discussion regarding the best method of conveying and appraising the subject property as well as various other issues including whether the State-owned property is essential to the development of the abutting lot, as well as the presentation of an updated conceptual plan provided by Paolino Properties, a motion was to reconsider the Department of Transportation's request for conceptual approval to sell the subject property via a sole source sale by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

Chairman Flynn stated that there must now be a new motion, which he assumes will be to allow the Department of Transportation to move forward with the appraisal of the subject property; however, the remaining issue is whether the appraisal should be done as an internal appraisal or commissioned as a fee appraisal. A motion was made to grant conceptual approval for the Department of Transportation to convey the subject property via a sole source sale subject to an in-house appraisal being conducted to determine

highest and best use as assemblage by Mr. Pagliarini and seconded by Mr. Woolley.

Passed Unanimously

Committee moves to go into Executive Session, pursuant to Rhode Island General Law 42-46-5(a)(5) for the specific purpose of discussion or consideration related to the acquisition or lease of real property for public purpose, or of the disposition of publicly held property wherein advanced public information would be detrimental to the interest of the public.

A motion was made to enter into Executive Session by Mr. Griffith and seconded by Mr. Woolley. A roll call vote was taken and the votes were as follows: Mr. Griffith voted "Aye", Mr. Pagliarini voted "Aye"; Mr. Woolley voted "Aye" and Chairman Flynn voted "Aye".

ITEM E1 – Department of Transportation – A request was made for authorization to acquire temporary easements in conjunction with Bridge No. 550 Replacement Project.

The State Properties Committee returned to the open session of the meeting at

11:12 a.m.

After discussion regarding ITEM E1 in Executive Session, a motion was made

to approve Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

There being no further business to come before the State Properties Committee, the meeting was adjourned at 11:13 a.m. A motion was made to adjourn by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

Holly H. Rhodes, Executive Secretary